

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION****State Capitol, Room 126****Sacramento, CA****Minutes of Meeting****May 13, 2004****COMMISSIONERS PRESENT**

Nancy E. McFadden, Chair
Thomas Calderon
Diane M. Griffiths
Teresa P. Hughes
Vicki Marti
Lynn Schenk
Michael R. Yamaki

CMAC STAFF PRESENT

J. Keith Berger, Executive Director
Theresa Bueno
Denise DeTrano
Holland Golec
Vanessa Guerrero
Mervin Tamai
Karen Thalhammer

EX-OFFICIO MEMBERS PRESENT

Chantele Denny, Department of Finance
Benjamin Thomas, Department of Health Services

I. Call to Order

The open session meeting of the California Medical Assistance Commission (CMAC) on May 13, 2004 was called to order at 10:00 a.m. by Chair Nancy E. McFadden. A quorum was present.

II. Approval of Minutes

The April 22, 2004 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

The Executive Director Keith Berger indicated that there were no new requests from hospitals or health plans to appear before the Commission in closed session at this time. Mr. Berger reminded the Commissioners that they had previously approved two requests by hospital groups to appear before the Commission in closed session at today's meeting to discuss contract negotiation issues, one is Catholic Healthcare West, the other is Good Samaritan Hospital in Los Angeles.

Mr. Berger indicated that there are 84 hospital and managed care amendments before the Commission for action during today's closed session. He indicated that they are primarily the remaining SB 1255 Round 16B amendments for community hospitals eligible for SB 1255 funds. Most of the public hospital SB 1255 amendments were approved at the previous meeting on April 22.

Mr. Berger took a moment to publicly thank all of the CMAC staff for their incredibly hard work over the last six weeks and especially the last two weeks when CMAC has been down to only two negotiators. Including the last meeting in April and this first meeting in May, CMAC staff has negotiated and prepared over 120 amendments for the Commissioners' review and action. Everyone at CMAC has stepped up to help make this happen.

Chair McFadden remarked that she and the Commissioners join Mr. Berger in thanking the CMAC staff but she also acknowledged Mr. Berger's efforts in bringing it all together.

Mr. Berger indicated that CMAC staff is also very pleased with the cooperation received from so many of its contracting partners, their recognition of the state's budget situation, and their willingness to work with CMAC through the SB 1255 program to find creative ways to address the needs of both our contracting partners and CMAC. Mr. Berger commented that it's been a joint effort and hopes that it will continue as CMAC moves into the next budget year.

Mr. Berger reminded the Commission that Los Angeles (LA) County representatives will be at the next Commission meeting on May 27 to provide an update on the County's financial condition. Mr. Berger suggested that the Commission may want to ask LA County for an update on Martin Luther King/Drew Medical Center. Mr. Berger indicated that Martin Luther King/Drew Medical Center has had a number of problems recently with maintaining their accreditation and their medical residency programs. Mr. Berger asked that if there are any specific questions that the Commissioners would like LA County to address, to please let him know and he will inform LA County so that their representatives can come prepared with responses on May 27.

Commissioner Hughes asked if LA County could inform the Commission as to the status of their accreditation and how the county stands currently within the community.

Mr. Berger indicated that CMAC staff has provided the Commissioners with an overview of the key issues and outcomes of the previous Selective Provider Contracting Program (SPCP) waiver renewal process. He further commented that for those Commissioners that were not here at that time, this overview will give the Commissioners some useful background information as the Commission moves into this year's SPCP waiver renewal process.

Mr. Berger informed the Commission that CMAC has initiated discussions with the Department of Health Services (DHS) regarding the preparation of the waiver renewal request. CMAC is reviewing data needs and allocation of responsibilities. He further indicated that after the May Revise is released there might also be additional items that CMAC can report to the Commission in terms of proposals, options, and strategies that are being considered.

Mr. Berger noted that Stan Rosenstein, Deputy Director of Medical Care Services at DHS, has agreed to attend CMAC's next Commission meeting on May 27. Mr. Rosenstein will be here primarily to provide the Commission with an update on Medi-Cal Redesign. Mr. Berger indicated that the Governor's May Revise is coming out this afternoon and no detailed proposals for the redesign will be included. Specific proposals are now scheduled to be done after the budget process. Mr. Berger suggested that perhaps Mr. Rosenstein can give the Commission a sense of some of the concepts that DHS is pursuing now that the redesign workgroups have finished their meetings.

Benjamin Thomas, Department of Health Services, indicated that the redesign workgroups have consolidated their reports. Mr. Thomas indicated that the work has just begun and that in the next few weeks there will be more opportunities to discuss issues. Mr. Thomas stated that Mr. Rosenstein will be present at the next Commission meeting and will update the Commission in more detail.

In response to Commissioner Calderon's question, Mr. Thomas stated that no decision has been made regarding the issue of co-pays for Medi-Cal recipients. This is an issue that is currently on the table for discussion, and the discussions are very sensitive in regard to co-pays for managed care and for disabled beneficiaries.

Mr. Berger informed the Commission that CMAC received a letter from the Department of Finance (DOF) ordering a freeze on all non-critical operational expenditures between now and the end of the fiscal year (FY). DOF is also seeking to identify any funds that may not be expended this year so these funds could be recouped and used to assist in other areas of the budget where there are deficits. CMAC has been very restrictive in terms of staff travel and in their operating expenses during the year because of the state budget problems.

Mr. Berger indicated that he felt that CMAC will be able to return between three to five percent of CMAC's operating expense budget to the state's general fund in addition to the cuts previously made. He further stated that it will be more difficult for CMAC to limit travel in the next FY, especially with a new negotiator coming on board.

IV. Medi-Cal Managed Care Activities

Mr. Berger indicated that CMAC is making progress in working with DHS on a variety of data and rate-related issues. CMAC has a meeting scheduled for this afternoon with the Medi-Cal Managed Care Division Chief and his key staff. Mr. Berger informed the Commission that he would keep them updated on the meeting and hopes to have more managed care amendments before the Commission for action as a result of this meeting. One of the amendments clearly will be the Health Plan of San Mateo. As the Commission is aware, the health plan's contract runs through June 30. CMAC is working with the plan on the extension of that contract and hopes to have this amendment before the Commission for action either at the last meeting in May or the first meeting in June.

Mr. Berger indicated that there are four managed care amendments before the Commission for action today as part of the 84 amendments.

V. New Business/Public Comments/Adjournment

There being no further new business and no additional comments from the public, Chair McFadden recessed the open session at 10:13 a.m. Chair McFadden opened the closed session at 10:15 a.m. and adjourned the closed session at 1:06 p.m. at which time the Commission reconvened in open session. Chair McFadden announced that the Commission had taken action on hospital contracts and managed care amendments in closed session. There being no further business, Chair McFadden adjourned the open session at 1:06 p.m.